

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
CENTRAL DISTRICT OF CALIFORNIA

In Re: Ironclad Performance Wear Corporation, a Nevada corporation, <div style="text-align: right;">Debtor(s).</div>	CHAPTER 11 (BUSINESS) Case Number: 1:17-bk-12409-MB Operating Report Number: 2 For the Month Ending: Jan-18
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I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	N/A
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	N/A
3. BEGINNING BALANCE:	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
4. RECEIPTS DURING CURRENT PERIOD:	
Accounts Receivable - Post-filing	N/A
Accounts Receivable - Pre-filing	N/A
General Sales	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
Other (Specify)	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
**Other (Specify)	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
TOTAL RECEIPTS THIS PERIOD:	<div style="border: 1px solid black; padding: 2px;">N/A</div>
5. BALANCE:	<div style="border: 1px solid black; padding: 2px;">N/A</div>
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	
Transfers to Other DIP Accounts (from page 2)	<div style="border: 1px solid black; padding: 2px;">N/A</div>
Disbursements (from page 2)	<div style="border: 1px solid black; padding: 2px;">N/A</div>
TOTAL DISBURSEMENTS THIS PERIOD:***	<div style="border: 1px solid black; padding: 2px;">N/A</div>
7. ENDING BALANCE:	<div style="border: 1px solid black; padding: 2px;">N/A</div>
8. General Account Number(s):	<div style="border: 1px solid black; padding: 2px;">None - all operations conducted by Ironclad California</div>
Depository Name & Location:	<div style="border: 1px solid black; padding: 2px;">N/A</div>

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

TOTAL DISBURSEMENTS FROM GENERAL ACCOUNT FOR CURRENT PERIOD

Date mm/dd/yyyy	Check Number	Payee or DIP account	Purpose	*Amount Transferred	**Amount Disbursed	Amount
						0.00
TOTAL DISBURSEMENTS THIS PERIOD:				0.00	0.00	\$0.00

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Bank statement Date: _____ Balance on Statement: _____

<u>Deposit Date</u>	<u>Deposit Amount</u>
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0.00

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
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0.00

Explanation of Adjustments-

\$0.00

**** Please attach a detailed explanation of any bank statement adjustment**

I. CASH RECEIPTS AND DISBURSEMENTS

N/A

- | | |
|---|-----|
| 1. TOTAL RECEIPTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS | N/A |
| 2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR PAYROLL
ACCOUNT REPORTS | N/A |
| 3. BEGINNING BALANCE: | N/A |
| 4. RECEIPTS DURING CURRENT PERIOD:
(Transferred from General Account) | N/A |
| 5. BALANCE: | N/A |
| 6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD
TOTAL DISBURSEMENTS THIS PERIOD:*** | N/A |
| 7. ENDING BALANCE: | N/A |
| 8. Disbursements Account Number(s): | N/A |
| Depository Name & Location: | N/A |

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TOTAL DISBURSEMENTS FROM PAYROLL ACCOUNT FOR CURRENT PERIOD

[illegible]

(Provide a copy of monthly account statements for each of the below)

N/A

N/A

1. **Introduction**
 2. **Background**
 3. **Methodology**
 4. **Results**
 5. **Discussion**
 6. **Conclusion**
 7. **Acknowledgments**
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	0.00
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0.00

Date _____

None

None

[illegible]

0.00

** Attach Exhibit Itemizing all petty cash transactions

Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-Petition payments not made (Number)	Total Due
TOTAL DUE:				0.00

FOR THE REPORTING PERIOD:

Total Wages Paid: _____

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IV. AGING OF ACCOUNTS PAYABLE AND RECEIVABLE

See Ironclad California's monthly operating report

	*Accounts Payable Post-Petition	Accounts Receivable	
		Pre-Petition	Post-Petition
30 days or less			
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days			
TOTAL:			

V. INSURANCE COVERAGE

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability	See Schedule of Insurance			
Worker's Compensation				
Casualty				
Vehicle				
Others:				

VI. UNITED STATES TRUSTEE QUARTERLY FEES
(TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing
30-Sep-2017	0.00	325.00	29-Nov-2017	325.00	0.00
31-Dec-2017		325.00	31-Jan-2018	325.00	0.00
					0.00
					0.00
					0.00
					0.00
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					0.00
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					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
		650.00		650.00	0.00

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

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IX. PROFIT AND LOSS STATEMENT

(ACCRUAL BASIS ONLY) (Reflects Ironclad California's operations)

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Gross Sales/Revenue	0.00	3,280,710.04
Less: Returns/Discounts	0.00	583,862.89
Net Sales/Revenue	0.00	2,696,847.15
Cost of Goods Sold:		
Cost of Goods Sold	6,436.78	1,912,731.53
Cost of Goods Sold - Freight		67,713.47
Cost of Goods Sold (COGS)	6,436.78	1,980,445.00
Gross Profit	(6,436.78)	716,402.16
Other Operating Income (Itemize)		
Operating Expenses:		
Payroll - Insiders	30,500.00	426,852.47
Payroll - Other Employees		934,158.23
Payroll Taxes		51,196.36
Other Taxes (Itemize)		0.00
Depreciation and Amortization		44,346.16
Rent Expense - Real Property		26,748.73
Lease Expense - Personal Property		1,124.90
Insurance	5,765.16	34,328.34
Real Property Taxes		1,200.00
Telephone and Utilities		20,337.66
Repairs and Maintenance		879.90
Travel and Entertainment (Itemize)		122,186.94
Miscellaneous Operating Expenses (Itemize)	21,998.60	721,323.63
Total Operating Expenses	58,263.76	2,384,683.32
Net Gain/(Loss) from Operations	(64,700.54)	(1,668,281.17)
Non-Operating Income:		
Interest Income	3,449.97	6,693.88
Net Gain on Sale of Assets (Itemize)	(12,629.65)	13,137,278.41
Other (Itemize)		
Total Non-Operating income	(9,179.68)	13,143,972.29
Non-Operating Expenses:		
Interest Expense		761,520.06
Legal and Professional (Itemize)	511,120.00	3,069,193.09
Other (Itemize) - Income Tax Expense		
Total Non-Operating Expenses	511,120.00	3,830,713.15
NET INCOME/(LOSS)	(585,000.22)	7,644,977.97

(Attach exhibit listing all itemizations required above)

X. BALANCE SHEET

(ACCRUAL BASIS ONLY) (Reflects Ironclad California's operations)

ASSETS	Current Month End	
Current Assets:		
Unrestricted Cash	15,230,117.20	
Restricted Cash		
Accounts Receivable	38,986.57	
Inventory		
Notes Receivable		
Prepaid Expenses		
Other (Itemize)		
Total Current Assets		15,269,103.77
Property, Plant, and Equipment		
Accumulated Depreciation/Depletion		
Net Property, Plant, and Equipment		0.00
Other Assets (Net of Amortization):		
Due from Insiders	0.00	
Other (Itemize)		
Total Other Assets		0.00
TOTAL ASSETS		15,269,103.77
LIABILITIES		
Post-petition Liabilities:		
Accounts Payable	1,095,756.88	
Taxes Payable	187,083.37	
Notes Payable		
Professional fees	1,415,822.38	
Secured Debt		
Other (Itemize)		
Total Post-petition Liabilities		2,698,662.63
Pre-petition Liabilities:		
Secured Liabilities		
Priority Liabilities		
Unsecured Liabilities		
Other (Itemize)		
Total Pre-petition Liabilities		0.00
TOTAL LIABILITIES		2,698,662.63
EQUITY:		
Pre-petition Owners' Equity	4,925,463.17	
Post-petition Profit/(Loss)	7,644,977.97	
Direct Charges to Equity		
TOTAL EQUITY		12,570,441.14
TOTAL LIABILITIES & EQUITY		15,269,103.77

- | | No | Yes |
|--|----|-----|
| 1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: | x | |
| <hr/> | | |
| 2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: | No | Yes |
| | x | |
| <hr/> | | |
| 3. State what progress was made during the reporting period toward filing a plan of reorganization | | |
| During the month of December the plan was drafted and presented to court in January | | |
| <hr/> | | |
| 4. Describe potential future developments which may have a significant impact on the case: | | |
| <hr/> | | |
| 5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period. | | |
| <hr/> | | |
| 6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. | No | Yes |
| | x | |
| <hr/> | | |

I, Matthew Pliskin, CFO,
declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

3/6/18
Date

Matthew Pliskin
Principal for debtor-in-possession